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**INSURANCE AND REAL ESTATE COMMITTEE  
SB 291, AN ACT CONCERNING HOMEOWNERS INSURANCE POLICIES FOR PEOPLE  
WHO OWN DOGS THAT HAVE BITTEN A PERSON**

**February 5, 2009**

**Statement of the American Insurance Association**

This statement is submitted by the American Insurance Association (AIA). AIA is a national trade association representing 350 property-casualty insurance companies that write property-casualty insurance in every U.S. regulatory jurisdiction. AIA member companies write more than forty percent of the homeowners insurance market in Connecticut. AIA opposes Senate Bill 291, An Act Concerning Homeowners Insurance Policies for People Who Own Dogs That Have Bitten a Person, which would prohibit insurers from refusing to issue personal risk insurance policies for homeowners who own a dog that has bitten a person.

First, Senate Bill 291 is unnecessary. Connecticut's homeowners insurance market is large and diverse, and insurers have varying appetites for risk and underwriting guidelines with respect to dogs. While some insurers may not underwrite a homeowner who owns a dog that has bitten a person, other insurers may be willing to write such a risk.

Second, Senate Bill 291 is unfair to both insurers and policyholders. A dog that has already bitten once is likely to bite again, and therefore is a known risk. Insurers should not be forced to underwrite a known risk. Senate Bill 291 is bad public policy during a time when insurers need underwriting flexibility in order to maintain the availability of homeowners insurance.

Furthermore, it is virtually impossible for an insurer to collect enough premium from the owner of a dangerous dog to cover the probable risk of loss. This means that homeowners without dogs and homeowners with safe dogs will end up subsidizing the premiums of dangerous dog owners and will likely pay more for their homeowners insurance. This is an unfair result for Connecticut homeowners, especially in the current economic environment.

Compounding this problem is the fact that dog bite claims are largest percentage of homeowners' liability claims payments because they often result in scarring, and scarring claims are very expensive. According to the Centers for Disease Control and Prevention (CDC), there are approximately 4.7 million dog bites per year; these resulted in an estimated 800,000 injuries requiring medical attention. An analysis by the Insurance Information Institute found that property-casualty insurers paid roughly \$356.2 million in 2007 for dog bite claims, which accounted for one-third of the total number of homeowners insurance liability claims. In 2007, the average cost to settle a dog bite claim was more than \$24,500. Since 2003, the cost of these claims has risen nearly 28 percent.

Finally, Senate Bill 291 seems to encourage homeowners to keep dangerous dogs around, which does not make sense from a public policy perspective.

For the foregoing reasons, AIA urges this Committee to reject Senate Bill 291.